

Message Text

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70

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

AID-05 COME-00 EB-07 FRB-03 TRSE-00 XMB-02 OPIC-03

CIEP-01 LAB-04 SIL-01 OMB-01 /082 W

----- 014973

R 031254Z MAY 75

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 5418

INFO AMEMBASSY BOGOTA

AMEMBASSY CARACAS

AMCONSUL GUAYAQUIL

AMEMBASSY LA PAZ

AMEMBASSY LIMA

AMEMBASSY SANTIAGO

LIMITED OFFICIAL USE QUITO 3051

3.O. 11652: N/A

TAGS: ECIN, EC

SUBJ: GOE DISILLUSIONMENT WITH ANDEAN PACT

1. DR. EDUARDO CALDERON ZAMBRANO, SUBSECRETARY OF THE
MINISTRY OF COMMERCE AND INDUSTRIES, RETURNED APRIL 30
FROM AN ABORTIVE VISIT TO LIMA, SANTIAGO, AND LA PAZ
WHERE HE HAD TRIED TO REACH A PRELIMINARY AGREEMENT ON THE
AUTOMOTIVE AND PETROCHEMICAL SECTORAL PROGRAMS. TO THE
PRESS HE NOTED THAT THERE ARE VARIOUS ECONOMIC OBSERVERS
WHO EMPHASIZE THAT IF THE PETROCHEMICAL AND AUTOMOTIVE
SECTORAL ASSIGNMENTS ARE NOT APPROVED, THERE WILL NO LONGER
BE ANY REASON FOR ECUADOR TO REMAIN IN THE ANDEAN PACT.
HE ADDED THAT NATIONAL INTERESTS HAD NOT YET BEEN
RECONCILED WITH THOSE OF THE ANDEAN REGION, ALTHOUGH
IN PRINCIPLE THE THREE COUNTRIES VISITED REALIZED
THESE DIFFERENCES MUST BE RESOLVED. ECUADOR'S PURPOSE AS A
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MEMBER OF THE PACT, HE EMPHASIZED, IS NOT ONLY TO PARTICIPATE IN THE FREE TRADE ZONE BUT ALSO TO PROMOTE INDUSTRIALIZATION BY THE SECTORAL ASSIGNMENTS.

2. IN MAY 1 EDITORIAL, IN RESPONSE TO CALDERON'S VISIT, EL COMERCIO CALLED THE PRESENT STAGNATION IN THE PETROCHEMICAL AND

AUTOMOTIVE ASSIGNMENTS THE MOST SERIOUS CRISIS THE ANDEAN PACT HAS FACED TO DATE. ALTHOUGH ECUADOREAN DELEGATION SAID THEY HAD A POSITIVE RESPONSE AT THE TECHNICAL LEVEL, THERE IS STILL A

SERIOUS STALEMATE IN FINAL ASSIGNMENTS. THE EDITORIAL CONTINUES THAT ECUADOR HAS CONSISTENTLY DEMONSTRATED NECESSARY FLEXIBILITY BUT MUST NOT OVERLOOK ITS PETROLEUM CAPACITY THAT ENCOURAGES THE FOUNDATIONS OF PETROCHEMICAL AND AUTOMOTIVE INDUSTRIES. NO MEMBER, CONTINUED THE EDITORIAL, SHOULD BE ALLOWED TO MONOPOLIZE THE SECTORAL PROGRAMS: ASSIGNMENTS SHOULD BE DONE ON THE BASIS OF ECONOMIC REALITIES THAT DO NOT ALLOW THE GROWTH OF SOME MEMBERS TO THE DETRIMENT OF OTHERS.

3. "A DEFEAT FOR THE ANDEAN PACT WOULD SPOIL ALL HOPE OF A PRACTICAL UNDERSTANDING AMONG AMERICAN NATIONS; THE PROLONGED STAGNATION WOULD DEMORALIZE NOT ONLY THE SIX MEMBER NATIONS BUT ALSO ALL OTHERS WHO ANXIOUSLY DESIRE TO ESTABLISH EFFICIENT

METHODS FOR AN EFFECTIVE COOPERATION FOR THE BENEFIT OF ALL LATIN AMERICAN PEOPLE," CONTINUED EL COMERCIO.

4. COMMENT: BOTH CALDERON'S COMMENTS AND THE EL COMERCIO EDITORIAL REFLECT ECUADOR'S GROWING DISCOURAGEMENT WITH THE PROGRESS ON THE SECTORAL PROGRAM. GOE HAS FREQUENTLY SAID IT SHOULD RECEIVE AN INTEGRATED PETROCHEMICAL PLANT AS WELL AS SEVERAL AUTOMOTIVE ASSIGNMENTS. INsofar AS WE KNOW, IT IS

THE FIRST TIME THAT CALDERON HAS IMPLIED ALTHOUGH INDIRECTLY THAT ECUADOR HAS NO REASON TO BE IN THE ANDEAN PACT IF THE SECTORAL PROGRAMS ARE NOT APPROVED.

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HEMENWAY

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Message Attributes

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Draft Date: 03 MAY 1975
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